



Manual 4

Installed Capacity Manual

Issued: May 2021

3.3. Transmission District Minimum Unforced Capacity Requirements

The Minimum Unforced Capacity Requirement for each Transmission District will be calculated as the product of the NYCA Minimum Unforced Capacity Requirement and the ratio of the Transmission District’s forecast coincident peak Load to the sum of the forecast coincident peak Loads for all Transmission Districts. In equation form:

$$UCR_t = UCR_{NYCA} * CPL_t / \sum_{t \in T} CPL_t$$

Where:

UCR_t = Minimum Unforced Capacity Requirement for a Transmission District t;

UCR_{NYCA} = NYCA Minimum Unforced Capacity Requirement;

CPL_t = Forecast Capability Year Coincident Peak Load for Transmission District t;

T = the set of all Transmission Districts in the NYCA

3.4. Establishing an LSE’s Minimum Unforced Capacity Requirement for an Obligation Procurement Period

A Load Serving Entities (LSE’s) minimum Installed Capacity requirement (“Minimum Installed Capacity Requirement”) is the sum of the Installed Capacity Requirements of each of its customers. The Minimum Installed Capacity Requirement is set before each Capability Year and remains constant throughout the Capability Year unless an Installed Capacity Supplier with rights to UDRs from an External Control Area with a dissimilar capability year elects to treat the UDRs as Unforced Capacity for the first month of a Capability Year. If such an election for a UDR is made, each LSE in a Locality will have two (2) Locational Minimum Installed Capacity Requirements: one for the first month of the Capability Period in which an Installed Capacity Supplier holding rights to UDRs from an External Control Area with a dissimilar capability year has made an election to have such requirements be determined without the UDRs, and the other for the remaining months in the Capability Year (and years thereafter) with the UDRs.

Each LSE’s Minimum Installed Capacity Requirement is translated into a Minimum Unforced Capacity Requirement as noted in Sections [2.5](#) and [2.6](#) of this *ICAP Manual*. Sections [3.5.1](#) and [3.5.2](#) of this *ICAP Manual* describe the only conditions that would require a change of an individual LSE’s Minimum Installed Capacity Requirement during the Capability Year.

Every month, each LSE must procure sufficient Unforced Capacity to meet its monthly Minimum Unforced Capacity Requirement for the following Obligation Procurement Period. The NYISO will perform a calculation in March prior to providing each LSE with its binding monthly Summer Capability Period

Minimum Unforced Capacity Requirement. This calculation may be subject to monthly revisions, including to account for Locality Exchange MW. Prior to the Winter Capability Period the NYISO will perform a calculation in September and provide each LSE with a binding Winter Capability Period Minimum Unforced Capacity Requirement. This calculation may be subject to monthly revisions, including to account for Locality Exchange MW. These calculations will be made in accordance with this Section [3.4](#) and Sections [2.5](#) and [2.6](#) of this *ICAP Manual*. Following the initial Capability Period assignment, each month within a Capability Period the Minimum Unforced Capacity Requirement will be adjusted to reflect customer-switching. The adjusted value is binding with regard to the LSE's obligation to procure Unforced Capacity for each Obligation Procurement Period within the corresponding Capability Period.

The Minimum Unforced Capacity Requirement for each LSE will be calculated separately for each Transmission District in which it serves Load. The requirement is based upon the ratio of the LSE's contribution to each Transmission District's forecast coincident peak to the LSE's actual contributions to the Transmission District's coincident peak Load for the prior calendar year. (This ratio is represented by the term "GF_t" in the formulas below.) Where an LSE serves end-use partial requirement customers (i.e., customers for whom the LSE provides service up to a specified amount), the portion of the LSE's contribution to the coincident peak attributable to such partial requirement customers shall be equal to the lesser of their actual contribution to the coincident peak or the contract demands of such partial requirement customers, if fully utilized, at the time of the Transmission District's coincident peak.

The precise formulation of the requirement is as follows:

$$UCR_{x,t} = UCR_t * CPD_{x,t}/CPL_t$$

where:

$UCR_{x,t}$ = Minimum Unforced Capacity Requirement for LSE x within Transmission District t;

UCR_t = Minimum Unforced Capacity Requirement for Transmission District t;

$CPD_{x,t}$ = Forecasted contribution to peak demand in Transmission District t for LSE x, as defined further below; and

CPL_t = Forecast Capability Year Coincident Peak Load for Transmission District t.

The forecasted contribution to peak demand of each LSE x within each Transmission District t is calculated according to the following equation:

$$\begin{aligned}
 CPD_{x,t} = & GF_t \sum_{c \in FRC_{x,t}} HPD_{c,t} + \sum_{c \in PRC_{x,t}} \min(PRCA_{c,t}, GF_t * HPD_{c,t}) \\
 & + \sum_{c \in SRC_{x,t}} \max(GF_t * HPD_{c,t} - PRCA_{c,t}, 0)
 \end{aligned}$$

and

$$GF_t = \frac{CPL_t}{\sum_c HPD_{c,t}}$$

where:

GF_t = the growth factor applied to each Load in Transmission District t to determine the Minimum Installed Capacity Requirements for LSEs serving that Load;

CPL_t = the forecast Capability Year Coincident Peak Load for Transmission District t; $FRC_{x,t}$ = set of full-requirement retail customers of LSE x in Transmission District t;

$HPD_{c,t}$ = demand by retail customer c in Transmission District t during the coincident peak demand hour for the NYCA of the last calendar year

$PRC_{x,t}$ = set of retail partial-requirement customers of LSE x in Transmission District t;

$PRCA_{c,t}$ = the maximum contractual purchase in Transmission District t by a retail partial requirements customer c; and

$SRC_{x,t}$ = set of supplemental-requirements retail customers of LSE x in Transmission District t.

Prior to each Obligation Procurement Period, LSEs must certify to the NYISO demonstrating the amount of Unforced Capacity they have obtained for the upcoming Obligation Procurement Period. The certification shall require LSEs to: (i) designate the total amount of Unforced Capacity they have procured; (ii) specify how much Unforced Capacity is associated with Installed Capacity Suppliers located in each NYISO defined Locality, the remainder of the NYCA and each External Control Area; and (iii) identify any Installed Capacity Supplier from which they have procured Unforced Capacity pursuant to Bilateral Transactions. The specific monthly dates by which all certifications are due can be found by selecting the link provided:

[\[https://icap.nyiso.com/ucap/public/evt_calendar_display.do \]](https://icap.nyiso.com/ucap/public/evt_calendar_display.do)

To the extent an LSE certifies that it is procuring Unforced Capacity through a Bilateral Transaction for any Obligation Procurement Period(s), the Installed Capacity Supplier to that Bilateral Transaction must

also confirm to the NYISO that it is obligated to supply UCAP to the LSE for the indicated Obligation Procurement Period(s) of the Capability Period. In the event an LSE-certified Bilateral Transaction is not confirmed by the associated Installed Capacity Supplier and the Bilateral Transaction remains unconfirmed at the close of certification, then the UCAP associated with an unconfirmed Bilateral Transaction purchase will not be credited to the originally certifying LSE. If the LSE does not procure other UCAP to replace an unconfirmed Bilateral Transaction, the LSE may then be deemed deficient and entered into the ICAP Spot Market Auction for the associated Obligation Procurement Period(s).

3.5. Customer-Switching

3.5.1. General Requirements for Customer-Switching within a Capability Year

Establishing LSE Minimum Unforced Capacity Requirements

Specific monthly deadlines for NYISO receipt of customer-switching data can be found by selecting the link provided (https://icap.nyiso.com/ucap/public/evt_calendar_display.do) The Transmission Owners shall provide supporting data which reflects verified customer-switching that has occurred or is scheduled for the current month to the NYISO on or before the specific monthly deadline.

Each Transmission Owner shall also provide aggregate peak Load data to the NYISO, coincident with the Transmission District peak, for all customers served by each LSE within its Transmission District, excluding those served by the municipal electric systems (specific monthly time for the NYISO's receipt of aggregate peak Load data is set forth at the following link:

http://icap.nyiso.com/ucap/public/evt_calendar_display.do. This data shall reflect verified customer-switching and may be derived from direct meters or Load profiles of customers served.

Based on documented customer-switching adjustments provided by each Transmission Owner to the NYISO in March that are scheduled to occur before May 1, the NYISO will provide each LSE with its final monthly Minimum Unforced Capacity Requirement for each year. In the event of a dispute as of April 10 regarding a Transmission Owner's forecast, the NYISO shall nevertheless establish each LSE's final monthly Minimum Unforced Capacity Requirement, subject to possible adjustments required from a resolution of the dispute.

Monthly Adjustments to LSE Minimum Unforced Capacity Requirement

The Transmission Owners will update the NYISO and affected LSEs on a monthly basis concerning customer-switching. Each Transmission Owner will provide updated aggregated LSE reports to the NYISO for each LSE serving Load in the Transmission District no later than the date and time provided in the